

## STATE OF WASHINGTON

OFFICE OF  
INSURANCE COMMISSIONER*In the Matter of***The Market Conduct Examination  
of Reliastar Life Insurance Company.**

)  
 ) No. G 2000-44  
 )  
 ) AMENDED FINDINGS,  
 ) CONCLUSIONS, AND  
 ) ORDER ADOPTING REPORT  
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**BACKGROUND**

An examination of the market conduct of Reliastar Life Insurance Company (the Company) for the period January 1, 1992, to December 31, 1996, was conducted by market conduct examiners of the Washington State Office of the Insurance Commissioner. The Company is an insurer authorized under RCW 48.05.030. This examination was conducted in compliance with the laws and regulations of the State of Washington and in accordance with the procedures promulgated by the National Association of Insurance Commissioners and the Office of the Insurance Commissioner. This examination was limited to Marketing and Sales Practices, Agent Licensing, Complaints and Replacement Activity.

The examination report with the findings and recommendations was transmitted to the Company for their comments on January 24, 2000. Response to the draft report was received on May 8, 2000.

The Commissioner or a designee has considered the report, the relevant portions of the examiner workpapers, and the submission by the Company. The report was modified to reflect new information provided by the company in their response to the draft report.

Subject to the right of the Company to demand a hearing pursuant to chapters 48.04 and 34.05 RCW, the Commissioner adopts the following findings, conclusions, and order.

**FINDINGS**

The Commissioner adopts as findings the findings of the examiners as contained in the report.

## CONCLUSIONS

It is appropriate and in accordance with law to adopt the attached examination report as the final report of the market conduct of the Company.

## ORDER

The examination report as filed, attached hereto and incorporated by reference, is hereby ADOPTED as the final examination report.

It is ORDERED that the Company comply with the Instructions in the Report as follows (the page and other references are to the report):

1. WAC 284-30-660 requires a clear explanation of an advisory service's basis for rating companies when advertising mentions a rating such as "A+". The Company is instructed to discontinue using all advertising that does not comply with this requirement (Page 4, Summary of Violations)
2. The Company is instructed to include an equally prominent reference to its liabilities in any advertisement referring to its assets, to comply with WAC 284-23-080. (Pages 4 & 5 , Summary of Violations)
3. Certain advertising refers to the entire group of companies' assets in violation of WAC 284-23-080. The Company is instructed to discontinue this practice. (Page 5, Summary of Violations)
4. Policy illustrations using "bonus" rates which have not actually been credited to any policies are in violation of RCW 48.23A. The Company is instructed to cease issuing policy illustrations which do not comply with RCW 48.23A. (Page 5, Summary of Violations)
5. The Company is instructed to obtain a completed copy of the "Important Notice Regarding Replacement of Insurance" from the agent for every replacement, and retain it in their policy files, as required by WAC 284-23-440 and WAC 284-23-455(2)(a). (Page 9 & 14, Summary of Violations)
6. The question regarding whether replacement of existing life insurance or annuity is involved was answered incorrectly in violation of WAC 284-23-440. The Company is instructed to require correct answers to the question regarding replacement. (Page 9 & 14, Summary of Violations)
7. The replacement forms were incorrect or not completed pursuant to WAC 284-23-440(2)(a). The Company is instructed to review each replacement form to insure that it is complete and answered accurately. (Page 14 & 15 Summary of Violations)
8. Policy applications were written prior to the effective date of agents' appointments in violation of RCW 48.17.160, which requires all agents to be appointed prior to soliciting any business. The Company is instructed not to permit persons to solicit business prior to being properly appointed. (Page 8, Summary of Violations)

ENTERED at Lacey, Washington, this 15<sup>th</sup> day of August, 2000.

DEBORAH SENN

Insurance Commissioner

By:

WILLIAM E. FRANSEN

Deputy Commissioner